

Realty Trust Review

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INVESTMENT OUTLOOK, REVIEW AND STATISTICAL ISSUE

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INVESTMENT OUTLOOK: MORE EVIDENCE OF SELECTIVE RETURN OF CONFIDENCE IN REIT SHARES

The month's market action displays the gradual return of confidence in REIT shares: equity trusts advanced 0.8% on our index while the Dow-Jones Industrials were slipping 2% amid disappointment at the economic recovery and political outlook. Nearly all the equity group's gain was accounted for by four trusts: Continental Illinois Properties, Florida Gulf Realty, Hubbard Real Estate Inv., and Washington REIT. And for the first time in many months, the number of REITs making new 52-week highs more than doubled the number of trusts on the new low list. The roster:

NEW HIGHS (9)		NEW LOWS (4)	
Continental Ill. Props. (NYSE)	Pennsylvania REIT (ASE)	Colwell Mtg. Trust (NYSE)	
Hubbard REI (NYSE)	Realty ReFund Trust (ASE)	Diversified Mtg. Inv. (NYSE)	
MONY Mtg. Investors (NYSE)	Sutro Mtg. Inv. Trust (NYSE)	Fidelco Growth Inv. (ASE)	
PNB Mtg. & Rlty. (NYSE)	United Realty Trust (ASE)	North Amer. Mtg. (NYSE)	
	Washington REIT (ASE)		

Eight of the nine strongest performers (excluding Sutro Mtg.) are on our Aug. 13 list of trusts with uninterrupted dividends during the real estate recession; we've been ranking Sutro highest among non-dividend paying trusts, indicating our opinion that underlying values are sound and recoverable. So by and large investors are hewing to quality in the equity and long-term mortgage groups with a little bit of speculative interest in non-dividend trusts among the better-off short-term mortgage trusts. On the low side, Colwell Mortgage shares and bonds dived on news the trust

KEEPING CURRENT WITH OUR SISTER SERVICES

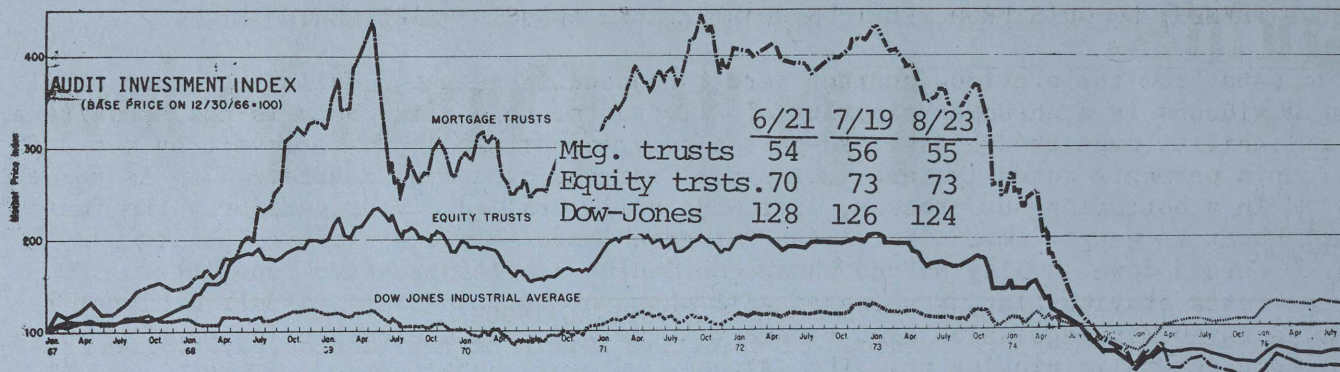
REAL ESTATE DISCLOSURE DIGEST Aug. 20 covers Golden West Financial's growth record; discounts forced on banks in swap programs; reports on Barnett Mtg. and C.I. Realty; settlement of two lawsuits; and National Homes' recovery. Single copies: \$8
DISCLOSURE REPORTS ON PROBLEM PROPERTIES carries facts on 88 properties held by 15 trusts, including First Mtg., Wisconsin REIT, Hamilton Inv. Single copies: \$9

Coming in the Sept. 10 RTR: RELATIVE APPEAL RANKINGS

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GROUP RATES ON REQUEST



wouldn't meet Sept. 1 interest payments on its 8.2% senior subordinated notes and 6½% subordinated convertible debentures. A credit agreement is being circulated but payments can't be made until Colwell's 19 banks agree. Other trusts have used their 30-day grace periods and then made deferred payments of bond interest, but obviously no one can tell for certain whether Colwell can fare as well. In other words, don't risk new purchases unless you feel strongly that the banks will sign. North American Mtg. fell on comment that the two 5-cent dividends it recently declared (the last has an Oct. 29 record date) will exhaust its 1975 taxable income; it's obvious that unless the trust can generate earnings in the second half this year (vs. 4-cent loss for the first half), NAMI may slip into ranks of the non-dividend trusts. Diversified Mtg. fell in apparent reaction to a deeper than expected \$1.09/sh. loss in the June quarter; Fidelco Growth continues to experience difficulty in getting banks to sign up for a new \$96 million credit.

Nonearning investments continued their very slight falloff, again reflecting impact of more troubled REITs swapping assets for bank debt. Our studies indicate banks are being forced to take about a 17% charge to their loss reserves on these swaps, a loss level that does not appear to be a major barrier to continued swapping. Our August tally:

Group	Number	---Invested assets---		%	Month %
		Non-earning	Total		
Short-term mortgage.....	59	\$7,423MM	\$10,312MM	72%	-0.3%
Inter. & long-term mtg....	28	1,719	4,218	41	-1.2
Equity & combination.....	44	922	3,562	26	-0.2
TOTALS/AVERAGES.....	131	\$10,064	\$18,092	56%	-0.5%

We review this issue three speculative recovery candidates among mortgage and combination trusts. All have the ingredients we believe necessary to a longer-term recovery: nonearning investments below average and declining; clean capital structures with no fear that defaults on public debt issues will haunt you; below-average leverage and no concessions to their banks on interest; and most important, discounts of 60% to 75% from stated or estimated book value. Those three:

SECURITY MORTGAGE INVESTORS (1-5/8--ASE-SMO) FY Sept. 30

Portfolio: The trust has reached agreement in principle to resolve its largest single block of nonearning investments, \$28 million of home improvement installment and land contract paper that has been tied up with the Chapter X bankruptcy of North American Acceptance Corp. for nearly 2½ years. The complex agreement would give SMI clear title to the disputed holdings, whose earnings of from \$0.12/sh. to \$0.21/sh. quarterly have been going into an escrow account. Other parts of the complex agree-

(Turn to page 7)

CORRECTION: Northwestern Financial Inv. reported losing \$0.15/sh. in its March 1976 quarter instead of the 15-cent earnings shown in our computer printout Aug. 13

DIVIDEND TRENDS: NO CUTS FROM PREVIOUS QUARTER MAKE AUGUST A RARE MONTH

No cuts from the previous quarter were announced in August. While the group still paying dividends is a shrunken minority of all trusts, this elite body is now exhibiting some reliability even though many are paying only modest amounts. Moreover, on average the group's payments actually rose last month from the preceding quarter, 8%. As to be expected in a bottoming out process, dividends still trailed a year earlier. The four current boosters were: Lomas & Nettleton Mortgage whose earnings improved as its non-earnings turned down, Realty ReFund whose continuing stable situation benefitted from interest rates staying flat, Washington REIT whose properties benefitted from higher rents, and Wells Fargo Mortgage which is a recovery situation with a sizeable low-earning portfolio whose return is picking up. The latter three also achieved higher payout from a year earlier as did Property Capital Trust, the land purchase leasebacker which has remained relatively problem free.

Our tally of declarations

	Up	Same	Down	Total	%Change
Aug.	4	8	0	12	+ 8%
Year	18	69	13	100	--
-----From previous year-----					
Aug.	4	2	6	12	-20%
Year	22	36	42	100	--

Trust	Record date	Latest	--Dividend/share-- Previous	Am't.	--Net change-- Percent	Special	Year Ago	% Change
API Trust	8/20	\$0.10	\$0.10	\$ --	NC	--	\$0.25	-60
BankAmerica Realty	8/27	0.05	0.05	--	NC	--	0.10	-50
Consolidated Capital	8/17	0.1684M	0.1684	--	NC	--	0.1667	+ 1
First Fidelity Inv.	8/9	--	--	--	--	\$0.07	--	--
Florida Gulf Realty	8/30	0.32	0.32	--	NC	--	0.32	NC
Gould Investors	Omitted	0.00	0.00	--	--	--	0.14	-100
Hubbard REI	9/23	0.30	0.30	--	NC	--	0.40	-25
Lomas & Nettleton Mtg.	8/13	0.20	0.09	+11	+122	--	0.64	-69
Nationwide REIT	8/23	0.03	0.03	--	NC	--	0.05	-40
New Plan Realty	8/16	0.075M	0.075	--	NC	--	0.07	+ 7
PNB Mtg. & Realty	8/2	0.10	0.10	--	NC	--	0.10	NC
Pacific-Southern Mtg.	8/9	--	--	--	--	0.15	--	--
Property Capital Trust	8/31	0.30	0.30	--	NC	--	0.29	+ 3
Realty ReFund	8/31	0.53	0.52	+01	+21	--	0.48	+10
Washington REIT	9/7	0.44	0.39	+05	+13	--	0.32	+38
Wells Fargo Mtg.	8/6	0.10	0.08	+02	+25	--	0.00	--
TOTALS (12 Trusts)b		\$2.47	\$2.28	\$+19	+ 8%		\$3.09	-20%

b-Excludes monthly and special declarations. NC-No change. M-Monthly.

COMPARATIVE TRUST GROUP AVERAGES 08/25/76

GROUP	SHARE N (000)	BOOK VALUE	ANN DIV*	EARN ANN*	LAST PRICE	-% CHNG FROM-- MCN AGO JAN 1	P/E RATIO	ANN* YIELD	% PR TC BK	RETURN CN BK	MARKET VALUE
EQUITY TRUSTS	20	2039	11.94	0.80	1.00	9.54	2.4	14.8	9.5	8.4	480.9
EQUITY AND MORTGAGE COMBIN	21	1618	10.05	0.23	0.24	4.57	-1.4	19.8	18.9	5.0	139.9
SUBORDINATED LAND TRUSTS	3	2689	13.14	0.40	0.40	5.50	0.0	-13.7	13.8	7.3	40.1
AVERAGE 3 EQUITY GROUPS	44	1882	11.12	0.50	0.60	6.89	1.0	14.3	11.5	7.2	660.9
SHORT-TERM MTG-INDEPENDENT	16	3620	0.87	0.00	0.07	0.88	-4.9	4.7	12.2	0.0	31.3
SHORT-TERM MTG-MTG BANKER	17	2075	8.82	0.29	0.26	4.20	1.5	9.8	16.5	6.9	156.5
SHORT-TERM MTG-COMCL BANK	17	2314	4.80	0.02	0.14	2.12	-5.9	15.9	14.8	1.1	91.3
SHORT-TERM-MISC FINCL	9	2791	7.48	0.01	0.01	2.01	-2.8	-1.7	150.7	0.7	44.6
AVERAGE 4 SHORT-TERM GROUPS	59	2672	5.30	0.09	0.14	2.37	-1.7	9.1	17.3	3.9	323.7
INTERMEDIATE-TERM MORTGAGES	6	3395	4.42	0.35	0.35	3.88	12.0	43.0	11.0	9.1	40.8
LONG-TERM MTG & EQUITIES	22	2925	12.71	0.46	0.50	6.32	1.4	20.8	12.7	7.2	547.7
AVERAGE LONG & INTERMEDIATE	28	3025	10.93	0.44	0.47	5.79	2.8	23.6	12.4	7.5	588.4

OVERALL AVERAGE 131 2482 8.46 0.30 0.36 4.62 0.9 15.3 12.8 6.6 -45.4 4.3 1573.0

DOW-JONES INDUSTRIAL AVERAGE 91.18 962.93 -2.6 +13.0 10.6 4.0 *Latest quarter annualized

STRAIGHT BONDS

Issuer & Desc.	Ex.	Int.	Mat.	Mil.\$	Price	Change	Yield
Alison Mtg.-b	OCx	8.75%	'79	\$25.0	\$21.00	- 5%	42%
Atico Mtg.-c#	NY	6.75	'82	16.9	54.50	+ 5	12
BT Mtg. Inv.-c	OC	5.75	'82	20.0	48.00	+ 2	12
Barnett Mtg.-c#	OC	6.75	'91	17.3	14.00	+ 17	48
Barnett Mtg.-cd	OC	8.50	'98	30.0	20.00	- 5	43
Barnett-Win.-ce	OC	8.25	'98	30.0	33.00	0	25
Cabot C&F Land-c	NY	8.50	'81	23.0	60.50	+ 8	14
Chase Man. Tr.-a	NY	7.88	'78	50.0	78.00	0	10
Chase Man. Tr.-c	NY	7.50	'83	60.0	56.50	+ 1	13
Cit.&So. Rlty.-c#	OC	6.75	'78	30.0	38.00	- 13	18
Cit. Mtg. Inv.-b	ASx	8.50	'80	20.0	35.00	+ 3	24
Colwell Mtg.-b	NY	8.20	'80	25.0	42.63	- 13	19
Cont. Ill.Rl.-b	NY	7.63	'79	25.0	73.00	+ 4	10
Cousins M&E-c	NY	6.50	'82	30.0	42.50	+ 6	15
First Mtg.-a	OC	6.75	'82	13.8	20.00	- 43	34
First Mtg.-a	OC	8.25	'77	25.0	42.00	0	20
First Virg.-b	OC	8-12f	'80	20.0	30.00	0	29
Great Amer.Mtg.-b	OC	7.55	'79	25.0	14.00	- 7	54
Great Amer.Mtg.-c	OC	8.75	'83	25.0	13.00	+ 18	67
Guardian Mtg.-b	NY	7.50	'79	25.0	49.38	+ 27	15
Guardian Mtg.-c#	AS	6.75	'86	8.6	37.00	+ 42	18
Gulf Mtg.&Rl.-c#	AS	7.70	'80	20.0	63.50	+ 1	12
IDS Realty-h	OC	--	--	179.8	20-40	0	NC

STRAIGHT BONDS

Issuer & Desc.	Ex.	Int.	Mat.	Mil.\$	Price	Change	Yield
Instl. Inv.-b	NY	7.88	'80	\$20.0	\$63.50	0%	12%
Justice Mtg.-b	OC	7.75	'79	20.0	37.00	0	21
LMI Investors-c	NYx	6.75	'82	25.0	21.00	+ 17	32
Midland Mtg.-b	NY	8.00	'80	19.7	65.75	+ 6	12
Mtg. Inv. Wash.-b	OC	8.50g	'80	15.0	44.00	0	20
NJB Prime Inv.-c#	OC	7.00	'80	12.9	18.00	+ 13	39
No.Amer. Mtg.-c	NY	5.50	'79	30.0	9.38	- 1	7
New Plan Rlty.-c	OC	8.50	'91	1.0	3.00	0	14
Saul (B.F.)-c	NY	8.50	'80	25.0	81.00	- 1	10
State Mut. Inv.-b	NY	9.00	'80	25.0	63.00	+ 4	14
Security Mtg.-#	AS	7.25	'82	50.0	67.00	+ 8	11
Security Mtg.-c#	OC	6.00	'82	20.0	50.00	+ 4	16
Tri-South Mtg.-b	NY	7.75	'80	25.0	49.00	+ 14	16

Description: a-Senior; b-Senior subordinate; c-Subordinate or junior subordinate. d-Convertible at \$39 till 9/1/78 when price may be adjusted. e-Convertible at \$31 till 12/1/78 when price will be adjusted. f-Variable at 1½% over monthly prime. g-Variable rate at 1½% over prime in Oct. and April. h-Five series, A-E: 6-7/8, 7-1/8, 7-3/8, two variable; 1987-94. x-Suspended by exchange. #--May be used at par to exercise warrants.

	EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	ANN DIV*	EARNINGS MCN	ANN*	LAST PRICE	-% CHNG MCN AGC	FROM-- JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RET CN EK	MKT VA (MIL\$)
EQUITY TRUSTS														
API TRUST #	O-APITS	1012	10.97	0.40	JUN	0.76↑	3.50X	-4.0	-30.0	4.6	11.4	-68.1	6.9	3.5
C I REALTY #	N-CIX	2609	16.73	0.00	MAY	0.39↑	3.63	7.4	32.0	9.3	0.0	-78.3	2.3	9.5
CITIZENS GR*	O-CITGS	811	11.54	0.00	JAN	0.00	1.00	33.3	0.0	0.0	0.0	-91.3	0.0	0.8
CON ILL PRO#	N-CIE	4808	20.16	1.28	APR	1.36↑	13.75	5.8	39.2	10.1	9.3	-31.8	6.7	66.1
CONSC CAP R#	O-CCPLS	2000	21.53	2.02	MAY	1.88	24.50X	5.0	-2.0	13.0	8.2	13.8	8.7	49.0
DENVER REI #	O-DENVS	1091	8.64	0.60	JUN	0.76↑	6.88	0.0	3.8	9.1	8.7	-20.4	8.8	7.5
FEDERAL RLTY	A-FRT	1226	9.74	1.24	JUN	1.04↓	12.50	0.0	13.6	12.0	9.9	28.3	10.7	15.3
FIRST UNION#	N-FUR	3981	8.49	0.96	APR	1.28	10.63	0.0	7.6	8.3	9.0	25.2	15.1	42.3
FLORIDA GLF#	O-FGLFS	975	16.04	1.28	JUL	1.28↑	11.00X	19.2	15.8	8.6	11.6	-31.4	8.0	10.7
FST FIDELTY#	O-FFITS	866	10.74	0.07	MAY	0.00	3.13X	28.0	25.2	0.0	2.2	-70.9	0.0	2.7
GENERAL GRO#	N-GGP	6202	6.52	1.32	JUN	1.40	19.00	-3.8	21.6	13.6	6.9	191.4	21.5	117.8
GOULD INVST#	A-GTR	1179	6.33	0.00	JUN	1.65↑	3.00	0.0	0.0	1.8	0.0	-52.6	26.1	3.5
GREIT RLY#	A-GRT	998	10.84	0.40	APR	0.88	5.50	-6.5	18.8	6.3	7.3	-49.3	8.1	5.5
HUBBARD REI	N-HRE	4004	21.84	1.20	JUL	1.32↑	14.75	8.2	32.5	11.2	8.1	-32.5	6.0	59.1
NEW PLAN RL	O-NPLNS	1330	2.24	0.90	APR	0.88↓	8.25X	-4.9	43.5	9.4	10.9	268.3	39.3	11.0
PENN REIT #	A-PEI	1516	11.96	1.15	MAY	1.68	11.25X	-1.0	15.4	6.7	10.2	-5.9	14.0	17.1
REIT OF AMER	A-REI	1633	21.03	1.40	MAY	1.44	15.31	-0.5	-0.5	10.6	9.1	-27.2	6.8	25.0
SUMMIT PROP#	O-SMPTS	1554	7.45	0.00	APR	0.15↓	2.00	-27.3	14.3	13.3	0.0	-73.2	2.0	3.1
WASH REIT #	A-WRE	1471	10.65	1.76↑	JUN	1.92↑	19.75	5.7	33.9	10.3	8.9	85.4	18.0	29.1
WISC REI FD#	O-WREIS	1514	5.29	0.00	MAR	0.00	1.50	0.0	20.0	0.0	0.0	-71.6	0.0	2.3
GROUP AVERAGE		2039	11.94	0.80		1.00	9.54	2.4	14.8	9.5	8.4	-20.1	8.4	480.9
EQUITY AND MORTGAGE COMBINATION TRUSTS														
AMER REALTY	A-ARB	2222	3.76	0.00	MAR	0.00	0.25	0.0	-77.9	0.0	0.0	-93.4	0.0	0.6
BANKAM RLTY	O-BRLTS	3547	14.67	0.20	JUL	0.12↓	6.13X	-3.1	2.2	51.1	3.3	-58.2	0.8	21.7
BRT RLTY TR	A-BRT	1400	6.15	0.00	MAY	0.00	0.82	-18.0	64.0	0.0	0.0	-86.7	0.0	1.1
FLATLEY RLT	O-FLTLS	1000	5.73	0.00	MAR	0.00	2.00	14.3	100.0	0.0	0.0	-65.1	0.0	2.0
FRANKLIN RLY	A-FR	999	7.80	0.00	MAR	0.00	2.81	-6.3	72.4	0.0	0.0	-64.0	0.0	2.8
HOTEL INVSTR	A-HCT	1545	18.12	1.40	MAY	1.40	12.38	-4.8	11.2	8.8	11.3	-31.7	7.7	19.1
INDIANA M&R#	O-INDMS	1154	12.68	0.00	MAR	0.00	2.75	22.2	37.5	0.0	0.0	-78.3	0.0	3.2
INVESTOR RL#	A-IRT	1579	10.73	0.00	MAY	0.00	3.50	11.8	-15.3	0.0	0.0	-67.4	0.0	5.5
JMB REALTY#	O-JMBRS	510	18.16	1.60	MAY	1.44↓	12.00	0.0	20.0	8.3	13.3	-33.9	7.9	6.1
LINCOLN MTG*	O-LNMGs	1155	1.79	0.00	MAR	0.00	0.50	31.6	100.0	0.0	0.0	-72.1	0.0	0.6
MILLER HEN S	O-HSMTS	560	16.75	0.00	MAY	0.64	6.00	4.3	26.3	9.4	0.0	-64.2	3.8	3.4
NJB PRIME	O-NJB	1280	-6.91	0.00	MAY	0.00	0.13	0.0	0.0	0.0	0.0	NEG.	0.0	0.2
PLAZA REALTY	A-PNE	1114	4.27	0.00	JUN	0.00	1.38	0.0	22.1	0.0	0.0	-67.7	0.0	1.5
RIVIERE RLY#	O-RIV16	783	8.20	1.00	MAR	0.76↓	8.25	-2.9	-2.9	10.9	12.1	0.6	9.3	6.5
RLTY INCOME	A-RIT	1563	11.82	0.60	APR	0.00	7.13	-4.9	24.0	0.0	8.4	-39.7	0.0	11.1
SAN FRAN RE#	A-SFI	1348	19.95	0.00	JUN	0.44	7.88	-8.7	133.1	17.9	0.0	-60.5	2.2	10.6
SAUL (BF)REI	N-BFS	5658	7.88	0.00	JUN	0.00	3.50	-3.6	3.6	0.0	0.0	-55.6	0.0	19.8
US BANCORP #	A-UBT	840	18.44	0.00	MAY	0.00	5.50	2.2	-4.3	0.0	0.0	-70.2	0.0	4.6
US REALTY #	N-UTY	3434	5.01	0.00	MAR	0.00	2.00	0.0	0.0	0.0	0.0	-60.1	0.0	6.9
VIRGINIA RE#	O-VARES	1251	9.91	0.00	MAR	0.28	5.25	5.0	50.0	18.8	0.0	-47.0	2.8	6.6
WALTER RLTY#	O-WALJS	1035	16.11	0.00	APR	0.00	5.75	-8.0	43.8	0.0	0.0	-64.3	0.0	6.0
GROUP AVERAGE		1618	10.05	0.23		0.24	4.57	-1.4	19.8	18.9	5.0	-54.5	2.4	139.9
SUBORDINATED LAND TRUSTS														
CABOT LAND	N-CFT	2992	8.33	0.00	FEB	0.00	2.00	-11.1	-20.0	0.0	0.0	-76.0	0.0	6.0
ICM REALTY	A-ICM	3011	17.41	0.00	MAY	0.00	4.38	-10.2	-47.7	0.0	0.0	-74.8	0.0	13.2
PROPERTY CAP	A-PCL	2065	13.67	1.20	JUL	1.20	10.13	8.0	22.8	8.4	11.8	-25.9	8.8	20.9
GROUP AVERAGE		2689	13.14	0.40		0.40	5.50	0.0	-13.7	13.8	7.3	-58.1	3.0	40.1
SHORT-TERM MTG-MTG BANKER														
ATICO MTG IN	N-ACC	2706	7.50	0.00	APR	0.00	2.00	-6.1	33.3	0.0	0.0	-73.3	0.0	5.4
BAIRD & WARNR	O-BAIDS	1043	17.83	1.20	APR	0.28	7.13	24.0	21.3	25.5	16.8	-60.0	1.6	7.4
BARNES MTG	O-BARNs	1910	14.32	0.00	JUN	0.00	2.25	-10.0	0.0	0.0	0.0	-84.3	0.0	4.3
CENTRAL MTG	O-CMRTS	775	13.71	0.00	JUN	0.00	2.75	0.0	-12.1	0.0	0.0	-79.9	0.0	2.1
COLWELL MTG	N-CLW	2030	-0.47	0.00	JUN	0.00	1.50	-25.0	-14.3	0.0	0.0	NEG.	0.0	3.0
FIRST CONTNL	O-FCRES	2106	10.24	0.72	MAY	0.76	6.88	1.9	37.6	9.1	10.5	-32.8	7.4	14.5
FRASER MTG I	O-FRASS	1038	16.69	1.00	FEB	1.00	9.00	2.9	9.1	9.0	11.1	-46.1	6.0	9.3
GUARDIAN MI	N-GMI	3000	-10.76	0.00	MAY	0.00	1.38	-8.0	-15.3	0.0	0.0	NEG.	0.0	4.1
HEITMAN MTG	A-HTM	3292	3.63	0.00	JUN	0.14↑	1.38	-8.0	38.0	9.9	0.0	-62.0	3.9	4.5
JUSTICE MTG	N-JMI	1184	3.97	0.00	JUN	0.00	1.88	-21.0	15.3	0.0	0.0	-52.6	0.0	2.2
KMC MTG IN	O-KMTGS	1100	4.55	0.00	MAY	0.00	0.75	19.0	0.0	0.0	0.0	-83.5	0.0	0.8
LOMAS & NTLN	N-LOM	3700	31.49	0.80↑	JUN	0.80↑	13.50X	3.4	-7.7	16.9	5.9	-57.1	2.5	49.9
M&T MTG INV	O-MTMIS	1482	10.25	1.04	MAY	1.04	8.75	14.7	37.1	8.4	11.9	-14.6	10.1	13.0
MIDLAND MTG	N-MMT	2382	4.52	0.00	MAR	0.00	1.50	-3.8	8.7	0.0	0.0	-66.8	0.0	3.6
NO AMER MTG	N-NAM	4403	13.26	0.20	JUN	0.00	4.00X	-21.1	-27.3	0.0	5.0	-69.8	0.0	17.6
SUTRO MTG IN	N-SUT	2322	15.15	0.00	JUN	0.32↑	6.00	9.1	45.3	18.8	0.0	-60.4	2.1	13.9
TMC MTG INV	O-TMG	800	-5.86	0.00	MAR	0.00	0.75	-14.8	200.0	0.0	0.0	NEG.	0.0	0.6
GROUP AVERAGE		2075	8.82	0.29		0.26	4.20	1.5	9.8	16.5	6.9	-52.4	2.9	156.5

#NET CASH FLOW, SEE PAGE 6. *GROSS CASH FLOW. NEG.-NEGATIVE BOOK VALUE. VJ-IN BANKRUPTCY REORGANIZATION.
 ARROWS DENOTE NEW EARNINGS OR DIVIDEND REPORTS AND DIRECTION. ZEROES INDICATE LOSS OR NO EARNINGS FOR QUARTER SHOWN.
 GROUP CHANGE: GREAT AMERICAN MANAGEMENT AND INVESTMENT FROM SHORT-TERM-MISC FINCL TO SHORT-TERM MTG-INDEPENDENT.

	EXCH/ SYMBOL	SHARE (000)	BOOK VALUE	ANN DIV*	EARNINGS MCA ANN*	LAST PRICE	* C/PNG MCA AGC	FROM-- JAN 1	P/E RATIO	ANN* YIELD	% PR TO BK	RET CN EK	MKT VA (MIL\$)
SHORT-TERM MTG-INDEPENDENT													
BUILDERS INV	O-BULDS	2929	-0.39	0.00	JUN 0.00	0.38	0.0	52.0	0.0	0.0	NEG.	0.0	1.1
CAPITAL MI	N-CMU	1675	1.85	0.00	JUN 0.43	1.44	4.3	44.0	3.3	0.0	-22.2	23.2	2.4
VJ CONTNLT MTG	O-CMI	20838	-4.33	0.00	MAR 0.00	0.12	-7.7	-60.0	0.0	0.0	NEG.	0.0	2.5
DOMINION M&R	O-DMRTS	639	0.79	0.00	FEB 0.00	0.13	0.0	-65.8	0.0	0.0	-83.5	0.0	0.1
VJ FIDELITY MI	O-FID	3046	-17.46	0.00	APR 0.00	0.19	18.7	533.3	0.0	0.0	NEG.	0.0	0.6
FIRST MTG IN	O-FIM	8495	-6.62	0.00	JAN 0.00	0.38	-24.0	52.0	0.0	0.0	NEG.	0.0	3.2
GKT AMER MI	O-GAA	4456	-11.13	0.00	APR 0.00	0.25	0.0	0.0	0.0	0.0	NEG.	0.0	1.1
HAMILTON INV	O-HAMTS	2095	6.25	0.00	JUN 0.00	1.13	-18.1	28.4	0.0	0.0	-81.9	0.0	2.4
MISSION INV	A-MIT	1812	5.58	0.00	MAY 0.72	1.63	-23.5	117.3	2.3	0.0	-70.8	12.9	3.0
MTG INV WASH	O-MINVS	2146	7.96	0.00	DEC 0.00	3.00	20.0	-25.0	0.0	0.0	-62.3	0.0	6.4
VJ NATIONAL MTG	O-NMF	2353	1.42	0.00	NOV 0.00	0.13	-31.6	116.7	0.0	0.0	-90.8	0.0	0.3
REPUBLIC MI	N-RMI	2107	6.16	0.00	JUN 0.00	1.25	-16.7	10.6	0.0	0.0	-79.7	0.0	2.6
TEXAS 1ST MT	O-TFMS	1055	7.10	0.00	MAR 0.00	1.00	-11.5	0.0	0.0	0.0	-85.9	0.0	1.1
TIERCO	O-GSR	1161	4.40	0.00	JUN 0.00	0.63	0.0	26.0	0.0	0.0	-85.7	0.0	0.7
UMET TRUST	N-UAT	2109	5.53	0.00	MAY 0.00	1.25	10.6	-16.7	0.0	0.0	-77.4	0.0	2.6
WESTERN MI	O-WMTGS	1001	6.84	0.00	MAY 0.00	1.13	-9.6	0.0	0.0	0.0	-83.5	0.0	1.1
GROUP AVERAGE		3620	0.87	0.00		0.07	-4.9	4.7	12.2	0.0	0.6	8.2	31.3

SHORT-TERM MTG-COMCL BANK													
AMER FLETCHER	A-AFM	1352	5.83	0.00	APR 0.00	1.50	0.0	-29.6	0.0	0.0	-74.3	0.0	2.0
BARNETT MTG	O-BMT	2174	-2.92	0.00	JUN 1.82	0.31	0.0	138.5	0.2	0.0	NEG.	-62.3	0.7
CAMERON-BRWN	N-CB	2016	10.79	0.00	JUN 0.00	1.88	0.0	50.4	0.0	0.0	-82.6	0.0	3.8
CHASE MAN MT	N-CMR	4886	-12.64	0.00	FEB 0.00	2.75	-15.4	-8.3	0.0	0.0	NEG.	0.0	13.4
CITINATL DEV	O-CITI6	600	13.25	0.00	MAR 0.06	3.25	-13.3	148.1	54.2	0.0	-75.5	0.5	1.9
CITIZENS MI	O-CZM	1421	-9.45	0.00	JUN 0.00	0.38	52.0	-69.6	0.0	0.0	NEG.	0.0	0.5
CITIZENS&SO RL	N-CZS	3829	0.63	0.00	JUN 0.00	1.75	-6.9	0.0	0.0	0.0	177.8	0.0	6.7
CONT ILL RLY	N-CIR	2797	0.74	0.00	JUN 0.00	1.50	0.0	0.0	0.0	0.0	102.7	0.0	4.2
FST COMMERCE	O-FCRNS	1008	15.18	0.00	JUN 0.00	4.50	-14.3	12.5	0.0	0.0	-70.4	0.0	4.5
FST DENVR MI	O-FOENS	1621	2.31	0.00	MAR 0.00	1.00	13.6	-27.5	0.0	0.0	-56.7	0.0	1.6
FST PENN MT	N-FPM	2561	10.75	0.00	APR 0.00	1.88	-6.0	-11.7	0.0	0.0	-82.5	0.0	5.6
FST WISCN MT	O-FWM	1910	5.24	0.00	JUN 0.00	1.13	0.0	79.4	0.0	0.0	-78.4	0.0	2.2
INDEPEND MTG	O-INTGS	2500	0.81	0.00	MAR 0.00	0.44	-21.4	-12.0	0.0	0.0	-45.7	0.0	1.1
MARYLAND RLY	O-MDRTS	760	7.89	0.00	MAY 0.00	2.00	0.0	44.9	0.0	0.0	-74.7	0.0	1.5
TRI-SOUTH MI	N-TSI	2260	2.92	0.00	JUN 0.00	1.50	-20.2	200.0	0.0	0.0	-48.6	0.0	3.4
WACHOVIA RLY	N-WRI	3335	13.05	0.00	MAY 0.00	3.50	-6.7	27.3	0.0	0.0	-73.2	0.0	11.7
WELLS FAR MI	N-WFM	3911	17.26	0.00	JUN 0.56	6.75X	3.3	22.7	12.1	5.9	-60.9	3.2	26.4
GROUP AVERAGE		2314	4.80	0.02		0.14	-5.9	15.9	14.8	1.1	-55.9	3.0	91.3

SHORT-TERM-MISC FINCL													
AMER CENTURY	N-ACT	2607	7.16	0.00	MAR 0.00	1.50	-14.3	32.7	0.0	0.0	-79.1	0.0	3.9
BENEF STD MI	N-BSM	1355	3.44	0.00	APR 0.00	1.63	0.0	-18.5	0.0	0.0	-52.6	0.0	2.2
CI MTG GROUP	N-CI	4812	1.41	0.00	APR 0.00	0.94	0.0	-6.0	0.0	0.0	-33.3	0.0	4.5
HANOVER SQ R	A-HSG	946	11.32	0.00	MAY 0.00	3.38	-1.7	17.4	0.0	0.0	-70.1	0.0	3.2
IDS RLY TR	N-IDR	2409	-3.38	0.00	APR 0.00	1.63	0.0	-45.7	0.0	0.0	NEG.	0.0	3.9
INSTITUTNAL	N-INV	6074	8.31	0.00	APR 0.00	1.38	0.0	0.0	0.0	0.0	-83.4	0.0	8.4
LMI INVSTORS	O-LWN	2009	2.12	0.00	MAR 0.00	0.63	65.8	-28.4	0.0	0.0	-70.3	0.0	1.3
MTG TRUST AM	N-MT	3860	12.93	0.00	MAY 0.00	3.50	0.0	21.5	0.0	0.0	-72.9	0.0	13.5
NATIONWID RE	O-NRELS	1047	24.02	0.12	JUN 0.12	3.50X	-11.8	7.7	29.2	3.4	-85.4	0.5	3.7
GROUP AVERAGE		2791	7.48	0.01		0.01	-2.8	-1.7	150.7	0.7	-73.1	0.2	44.6

INTERMEDIATE-TERM MORTGAGES													
ALISON MTG I	O-AMV	2339	-12.59	0.00	APR 0.00	0.25	-34.2	-60.3	0.0	0.0	NEG.	0.0	0.6
BARNET-WINST	O-BWITS	1663	2.34	0.00	JUN 0.00	0.50	0.0	-43.2	0.0	0.0	-78.6	0.0	0.8
DIVERSIFD MI	N-DMG	7327	8.26	0.00	JUN 0.00	1.13	-9.6	0.0	0.0	0.0	-86.3	0.0	8.3
FST VIRGINIA	O-FVM	1208	3.64	0.00	MAR 0.00	0.75	0.0	19.0	0.0	0.0	-79.4	0.0	0.9
RLTY REFUND	A-RRF	1045	18.42	2.12	JUL 2.12	19.13	16.8	56.2	9.0	11.1	3.9	11.5	20.0
SECURITY MT	A-SMG	6787	6.46	0.00	JUN 0.00	1.50	0.0	100.0	0.0	0.0	-76.8	0.0	10.2
GROUP AVERAGE		3395	4.42	0.35		0.35	3.88	12.0	43.0	11.0	-12.3	8.0	40.8

LONG-TERM MTG & EQUITIES													
ATLANTA NATL	O-ATNAS	1260	10.97	0.00	MAY 0.00	1.38	-8.0	10.4	0.0	0.0	-87.4	0.0	1.7
BT MTG INVTN	N-BTM	2116	0.12	0.00	JUN 0.00	2.00	-6.1	-6.1	0.0	0.0	1566.7	0.0	4.2
CLEVETRST RL	O-CTRIS	2525	11.02	0.00	JUN 0.00	2.50	-4.9	42.9	0.0	0.0	-77.3	0.0	6.3
CON GEN M&R#	N-CGM	5715	19.41	1.60	JUN 1.56	16.75X	4.7	22.9	10.7	9.6	-13.7	8.0	95.7
COUSINS M&EQ	N-CUZ	3854	4.29	0.00	MAY 0.53	1.63	-18.5	30.4	3.1	0.0	-62.0	12.4	6.3
EQUIT LF MTG	N-EG	5597	23.62	2.00	JUL 2.04	21.50	-0.6	21.1	10.5	9.3	-9.0	8.6	120.3
FIDELCO GROW	A-FGI	1580	16.88	0.00	MAY 0.00	2.13	-14.8	-46.8	0.0	0.0	-87.4	0.0	3.4
FST MEMPHIS	O-FMEMS	1156	7.26	0.00	MAY 0.00	2.50	-9.1	33.0	0.0	0.0	-65.6	0.0	2.9
GULF MTG&RLY	N-GMR	2210	6.40	0.00	MAY 0.00	1.81	3.4	31.2	0.0	0.0	-71.7	0.0	4.0
HMC MTG&RLY	O-HMCMs	2388	5.02	0.00	APR 0.00	1.00	13.6	-11.5	0.0	0.0	-80.1	0.0	2.4
HOSPITAL MTG	A-HMG	1178	22.84	0.60	MAY 0.76	6.38X	4.5	11.0	8.4	9.4	-72.1	3.3	7.5
MASSMUT MTG	N-MML	4670	19.38	1.12	APR 1.12	11.63	2.2	16.3	10.4	9.6	-40.0	5.8	54.3
MUNY MTG INV	N-MYM	8825	10.06	0.92	MAY 1.04	9.75	3.9	32.1	9.4	9.4	-3.1	10.3	86.0
MTG GROWTH I	A-MTG	2652	10.95	0.48	MAY 0.28	4.88	0.0	30.1	17.4	9.8	-55.4	2.6	12.9
NOWSTRN FINC	O-NFINS	1510	15.13	0.00	MAR 0.00	2.88	-11.4	9.5	0.0	0.0	-81.0	0.0	4.3
NOWSTRN MUTL	N-NPL	4758	19.15	1.00	JUN 1.08	12.13	4.3	19.7	11.2	8.2	-36.7	5.6	57.7
OLD STONE M#	O-OSMRS	813	9.56	0.00	JUN 0.00	6.00	0.0	50.0	0.0	0.0	-37.2	0.0	4.9
PACIFIC STHN	O-PSMTS	814	11.67	0.15	MAR 0.00	5.38X	2.8	38.7	0.0	2.8	-53.9	0.0	4.4
PNB MTG& RL#	N-PNI	2437	18.46	0.40	JUN 0.68	7.38X	10.8	20.4	10.9	5.4	-60.0	3.7	18.0
RAM PACIFIC	O-RPACS	1890	18.10	1.20	MAY 1.20	10.25	0.0	32.3	8.5	11.7	-43.4	6.6	19.4
STATE MUTUAL	N-SMU	2786	1.77	0.00	JUN 0.00	2.50	0.0	42.9	0.0	0.0	41.2	0.0	7.0
UNITED RLTY	A-URT	3610	17.56	0.60	MAY 0.64	6.63	10.5	15.3	10.4	9.0	-62.2	3.6	23.9
GROUP AVERAGE		2925	12.71	0.46		0.50	6.32	1.4	20.8	12.7	-50.3	3.9	547.7

HOW TO USE COMPARATIVE TRUST STATISTICS

CONVERTIBLE DEBENTURES

DEBENTURE	EX MAT	INT (%)	CONV AT	RECENT PRICE	YIELD (%)	% CHNG
ALISON MTG AS '91		6.75	27.50	17.00	39.7	-2.9
AMER CENTURY AS '90		7.00	21.00	45.81	15.3	13.1
AMER CENTY'B NY '91		6.75	28.00	43.00	15.7	7.2
AMER REALTY OC '84		7.00	10.40	23.00	30.4	15.0
BAIRD&WARNER OC '91		6.75	21.00	61.00	11.1	1.7
BANKAMERICA OC '90		6.75	21.00	71.00	9.5	9.2
BENEF STD MI AS '91		6.50	27.75	45.63	14.2	1.4
CAPITAL MTG OC '91		6.50	33.00	25.00	26.0	-3.8
CHASE MANHTN NY '96		6.50	55.00	44.00	14.8	-4.3
COLWELL MTG OC '91		6.50	29.38	25.00	26.0	-3.8
CONN GENERAL NY '96		6.00	32.50	65.50	9.2	0.8
CONTANTL MTG OC '90		6.25	19.79	7.25	VJ	-14.7
EQUITBL LF M NY '90		6.75	26.25	81.50	8.3	0.6
FIDELITY MI CC '85		7.75	21.25	8.00	VJ	0.0
FIRST PENN M OC '91		6.75	26.00	42.00	16.1	-6.7
FIRST UNION NY '91		7.00	13.00	82.00	8.5	0.6
FRANKLIN RLY AS '89		7.00	10.00	62.13	11.3	0.3
GRT AMER MI OC '91		7.00	35.50	13.00	53.8	0.0
HANOVER SQ R AS '92		7.25	21.00	63.00	11.5	6.8
HEITMAN MTG AS '92		7.50	14.70	52.50	14.3	16.7
HNC MTG OC '91		6.75	21.00	42.00	16.1	-2.3
HOTEL INVSTR OC '90		7.75	21.00	70.00	11.1	0.0
HOTEL INVTRS OC '91		7.50	25.25	67.00	11.2	-1.5
LINCOLN MTG OC '90		8.00	11.00	43.00	18.6	13.2
MASSMUTL MTG NY '90		6.75	21.00	75.50	8.9	0.7
MASSMUTUAL M NY '91		6.25	33.50	70.75	8.8	0.4
MIDLAND MTG CC '86		7.00	16.67	43.00	16.3	0.0
MONY MTGIN NY '90		7.00	11.00	90.00	7.8	5.7
MTG INV WASH OC '90		8.00	15.00	44.00	18.2	0.0
NATIONAL MTG OC '91		7.00	12.00	6.00	VJ	20.0
NATIONWID RE OC '91		7.00	28.50	53.00	13.2	1.9
NJB PRIME OC '91		6.75	21.00	16.00	42.2	0.0
NOWSTRN MUTL NY '91		6.00	21.00	73.00	8.2	2.8
OLD STONE MT OC '87		6.88	15.00	65.00	10.6	1.6
RAM PACIFIC OC '91		6.75	21.00	69.00	9.8	0.0
REALTY INCOM AS '91		8.00	16.50	72.50	11.0	2.1
REPUBLIC MI NY '90		7.25	19.00	66.13	11.0	-2.8
SAUL (BF) RL OC '91		6.50	23.00	54.00	12.0	1.9
SAUL (BF) REI OC '90		8.00	15.50	62.00	12.9	1.6
STATE MUTUAL AS '91		6.75	21.00	42.38	15.9	2.4
SUTRO MIT NY '82		6.75	20.00	75.00	9.0	2.7
SUTRO MTG AS '91		6.75	20.00	65.25	10.3	7.0
TRI-SOUTH MI NY '92		7.00	29.50	41.00	17.1	33.3
US BANCORP AS '92		7.00	26.25	68.38	10.2	-2.3
US REALTY IN NY '89		5.75	20.20	48.25	11.9	3.6

VJ-IN BANKRUPTCY REORGANIZATION.

WARRANTS

NAME	EXCH/ SYMCL	EXP DATE	OUT (000)	EXER PRICE	NO. SH.	WTS PRICE	STK PRICE	CONV PREM	% CHG	MKT VA (MIL\$)
MER CENTURY	A-ACTW	6/78	897	23.00	1.0	0.13	1.50	1442.0	0.0	0.1
TICO MTG IN	A-ACOW	12/79	563	15.00	1.0	0.44	2.00	672.0	15.8	0.2
ARNES MTG	C-BARNW	12/77	1910	20.00	1.0	0.13	2.25	794.7	0.0	0.2
ARNIT-WINST	O-BWITW	7/77	1657	20.00	1.0	0.10	0.50	3920.0	-23.1	0.2
ENEF STD MT	O-BSMW	7/80	554	20.00	1.0	0.15	1.63	1136.2	-40.0	0.1
RT RLTY TR	A-BRTW	11/77	1400	10.00	1.0	0.06	0.81	1142.0	0.0	0.1
APITAL MTG	O-CMORW	11/79	471	20.00	1.0	0.02	1.44	1290.3	-33.3	0.0
ENTRAL MTG	O-CMRTW	3/77	775	20.00	1.0	0.13	2.75	632.0	0.0	0.1
ITZENSMTG	O-CZMW	1/77	671	15.00	1.0	0.09	0.38	3871.1	0.0	0.1
OLWELL MTG	A-CLMW	12/77	225	20.00	1.0	0.19	1.50	1246.0	46.2	0.0
ENVER REIA	O-DENV5	5/77	177	11.00	1.0	0.25	6.88	63.5	0.0	0.0
EDERAL RL	O-FDLRW	12/76	140	10.00	1.0	2.38	12.50	-1.0	-4.8	0.3
IR MEMPHIS	O-FMEPW	2/78	1124	20.00	1.0	0.06	2.50	702.4	0.0	0.1
IRST DENVER	O-FDENW	10/77	1398	20.00	1.0	0.13	1.00	1913.0	0.0	0.2
IRST UNION	O-FUREW	12/76	600	12.75	1.0	0.13	10.63	21.2	0.0	0.1
UARDIAN MT*	A-GMIW	7/79	241	36.00	1.0	0.13	1.38	2518.1	0.0	0.0
JLF MTG&RL*	A-GMRW	3/77	2210	20.00	1.0	0.06	1.81	1008.3	0.0	0.1
OSPITAL MTG	A-HMGW	2/77	1178	25.00	1.0	0.09	6.38	293.3	50.0	0.1
MB REALTY	O-JMBRW	8/77	510	20.00	1.0	0.13	12.00	67.7	-48.0	0.1
BT MTG INV	O-MTIZ	8/80	747	13.00	1.0	0.38	8.75	52.9	0.0	0.3
ISSION INV	A-MITW	3/77	604	16.50	1.0	0.03	1.63	914.1	0.0	0.0
TG INV WASH	O-MINW	3/80	931	15.00	1.0	0.13	3.00	404.3	-48.0	0.1
ORTH AM MTG	A-NAMW	3/79	710	31.13	1.0	0.31	4.00	686.0	-29.5	0.2
OWSTRN FINC	O-NFINW	11/77	1510	18.06	1.1	0.06	2.88	529.0	0.0	0.1
LAZA REALTY	A-PNEW	11/77	1113	18.50	1.0	0.06	1.38	1244.9	0.0	0.1
NB MTG&RLTY	A-PNIW	12/77	1220	20.00	1.0	0.19	7.38	173.6	0.0	0.2
EPUBLIC MI	A-RMIW	6/79	1064	20.00	1.0	0.19	1.25	1515.2	-24.0	0.2
LTY REFUND	O-RREFW	6/77	1013	20.00	1.0	0.75	19.13	8.5	97.4	0.8
AN FRAN REI	A-SFIW	12/80	1348	25.00	1.0	0.50	7.88	223.6	-43.2	0.7
ECURITY MT*	A-SMOW	5/79	3117	16.00	1.0	0.19	1.50	979.3	46.2	0.6
JTRO MIT(B)	A-SUTW	6/77	700	20.00	1.0	0.56	6.00	242.7	27.3	0.4
ATED RLTY	A-URTW	12/79	3610	20.00	1.0	0.13	6.63	203.6	0.0	0.5

*DEBENTURES USABLE IN LIEU OF CASH.

These data are designed to facilitate comparison of relative efficiency of real estate investment trust managements with available funds. Readers should note that historical data are used and thus no earnings or dividend projections or estimates are included. Investors are advised to consider carefully the following distinctive characteristics of REITs compared with other industrial or financial securities:

Annualized Dividend and Yield: Most REITs do not pay a posted quarterly dividend rate but instead pay their approximate earnings (or net cash flow, if appropriate) for the quarter. They follow this practice because REITs are required to pay at least 90% of earnings to shareholders in order to qualify for exemption from Federal income taxes. This practice means that dividends paid by most REITs will vary much more from quarter to quarter than industrial securities. This possibility for quarterly variations gives REIT shares higher risk because earnings do not provide a safety margin of coverage for the dividend as they do for industrial stocks. The outlook and stability of dividends are thus key factors in our **RELATIVE APPEAL RANKINGS**. The "Annualized Dividend" column is the latest quarterly payout annualized by multiplying by four, and adjusted for any capital gains or other special dividend payments. Special dividends, marked "S", are paid to maintain tax exemption but are not expected to be continued in subsequent quarters. Because of these possible variations, annualized dividends and yield are not to be considered in any way as posted or guaranteed yields.

Annualized Earnings and Price/Earnings Ratio: For mortgage trusts, latest quarter earnings are multiplied by four. Zeroes indicate losses or no earnings for the quarter indicated. Losses per share are shown in **RELATIVE APPEAL RANKINGS**. For equity trusts, annualized net cash flow as calculated by Audit Investment Research, Inc. is used in place of earnings as the best single measure of results. Net cash flow is defined as net income plus depreciation minus mortgage amortization. The symbol "\$" indicates cash flow in the earnings column. For a few trusts, gross cash flow (i.e., net income plus depreciation) is used, denoted by "\$". Cash flow derived from amortization of debt discount is denoted by "@". The price/earnings ratio relates current price to the most appropriate earnings result. Both earnings (EPS) and net cash flow (CFS) per share for equity trusts for current periods are shown in **RELATIVE APPEAL RANKINGS**, and in the quarterly **REIT PERFORMANCE RECORD** issue.

Shares: The number of shares outstanding, in thousands, is the number issued as of the latest balance sheet and is not adjusted for any potential conversion of debentures or exercise of warrants. Book value per share is essentially net tangible worth per share. The number does not reflect any changes in asset values through appreciation or abnormal depreciation of assets, nor any potential increase from possible conversion of debentures. Realized and estimated investment losses, as determined by management's provision for possible losses, are deducted from book value under AICPA rules. Audit also deducts intangible debt discount and expense costs from book value.

Trusts are grouped into nine categories under three major groupings to facilitate comparison. The category used for each trust is shown in **RELATIVE APPEAL RANKINGS**. Equity and combination groups include Equity trusts with over 80% of invested assets in direct ownership of completed income producing properties; Equity & Mortgage combination which balance investments between equity ownership and mortgages; and Subordinated Land trusts, investing primarily in ownership of land beneath income producing properties and leased to building operators. Short-term mortgage groups invest primarily in mortgages under three years maturity, mainly construction, land development and other interim loans. They are grouped by sponsorship as follows: Mortgage banker; Independent; Commercial bank; and Miscellaneous financial institutions. Intermediate & long-term mortgage groups are classed as intermediate-term for those whose predominant holdings mature in three to 10 years; and long-term for those with loans maturing in over 10 years, and generally with some equity investments.

Security Mortgage Investors - continued from page 2

ment call for SMI to receive \$11.8 million principal amount of SMI's 6% debentures; a \$9 million note of Omega-Alpha, Inc.; \$5.9 million of land sales contracts securing a NAAC obligation in return for the obligation's cancellation; and return of 300,000 SMI shares held by NAAC. In return SMI will pay NAAC \$14 million cash and assume a \$9 million NAAC note to banks which it had previously guaranteed. The settlement with NAAC's bankruptcy trustee is contingent upon approval by the bankruptcy court and release of Security from all claims against it made by NAAC debenture holders in a class action suit. NAAC's trustee, who has been opposing Security's claim to the portfolio, undertakes to seek fulfillment of these contingencies under the settlement, which SMI hopes can be done before calendar year-end. SMI will report a \$4 million book loss when the deal is confirmed, equal to about \$0.62/sh. In addition SMI's nonearning loans will drop from 45% to 30% of investments, its long-term debt will drop by \$11.8 million, shares outstanding will fall by 300,000, and it will be able to make a substantial repayment on its \$68 million bank debt.

When completed, SMI's portfolio should approximate \$165 million, composed as follows: \$26 million, or about 15%, in the NAAC holdings; \$28 million, or about 17%, in long-term mortgages on medical facilities; \$36 million, or about 22%, in piggy-back second mortgages on single-family homes; and about \$75 million in construction, land development and other commercial mortgages. The medical mortgages were obtained in a 1973 merger with Medical Mortgage Investors, and the piggy-backs acquired from General Electric Credit Corp.; both blocks are fully current. The commercial loan portfolio will still contain about \$48½ million nonearning investments, including about \$36 million property on which foreclosure has been completed. All trust properties are completed except for a \$1½ million participation in the stalled 1,050-unit Village Mall project in Queens, New York City. Acquired properties operated at a \$214,000 net cash flow before interest costs in the six months through March, and management indicates this portfolio segment is recovering slowly. The \$10.7 million loss reserve is 6.3% of total holdings but 14% of the troubled commercial portion.

Financing: Total funds of \$180 million are 38% bank debt, 38% in three issues of debentures, and 24% in shareholder equity, net of unamortized debt discount and expense. Bank debt is under a credit agreement at 120% of the prime rate and expiring Feb. 28, 1977; there is no contingent interest. Publicly traded debt includes \$50 million of 7½% debentures due 1982; \$17.1 million of 6% subordinated debentures due 1982; and \$816,000 of 5-7/8% subordinated debentures convertible at \$12. The two larger issues may be used at par to exercise warrants until 1979. The NAAC settlement will reduce the 6% debentures to \$5.3 million out. Sponsor: Semorco, Inc. is owned 4/7 by Smith Barney Real Estate Corp., subsidiary of the securities firm, and 1/7 each by NAAC, American Medicorp and GE Credit.

Results & outlook: SMI lost \$0.92/sh. in the nine months to June 30, with about \$0.53/sh. being provision for losses. By our calculations the NAAC portfolio cost the trust \$0.46/sh. in that period. Our projections indicate the trust will operate at about break-even in the March 1977 quarter, first when effects of the pending NAAC settlement are likely to be felt. Net tangible book value then should be about \$5.75-\$6.00/sh. Depending upon shape of the 1977 credit agreement, dividend resumption is not likely till late 1977 or early 1978. But shares are an attractive speculation now. The bonds (66½ for the 7½s, about 50 for the 6s) have much improved liquidity behind them with the NAAC settlement and are attractive for about 15½% yield to maturity. (KDC)

SAN FRANCISCO REAL ESTATE INVESTORS (7-7/8--ASE-SFI) FY Dec. 31

Portfolio: Holdings of this combination trust are split into two major categories: \$46.7 million property holdings before depreciation, largely interests in headquarters buildings of major local banks; and \$24.6 million mortgage loans and property acquired in foreclosure. The property holdings performed well last year, returning 11.7% cash-on-cash by our calculations. Mortgage holdings are the headache, 77% nonaccruing and probably a two-year workout situation at best. The trust has a \$3.4 million loss

reserve against this mortgage section, or about 14%. Unfunded commitments amount to only \$500,000 at June 30.

Nonearning investments: About one-third (or \$6.2 million) of troubled properties are five condominiums, all foreclosed and now being marketed. To date 49% of the 202 units involved have been sold, with SFI taking back permanent mortgages on some projects. Largest is \$1.9 million in Pine Run, Sarasota, Fla., where the trust finally got possession July 1; \$1.7 million in Wildwood condo in Houston, where 18 of 28 units are already sold with local financing; and \$1.35 million in a Pleasant Hills, Cal. condo in which 39 of 52 units have been sold. Other condos are in San Antonio (3 of 11 units sold) and Delray Beach, Fla. (34 of 54 sold). A \$4½ million investment in a Day's Lodge in Orlando, Fla. is classed as nonearning, reflecting trust efforts to foreclose on three partners who cannot agree; the 611-unit lodge has been running to capacity in recent months and is in hands of a receiver. Other major nonearning investments include \$1.9 million in a Marietta, Ga. medical office facility with slow rentals, and \$1.7 million in the troubled Colony North apartments in Ft. Lee, N.J., which a local developer hopes to convert to subsidized housing.

Financing: Capital of \$66½ million is 41% equity, 36% mortgages on property owned, and 23% in a \$15½ million bank line at full interest. Paydown of this line will depend heavily upon sale of condos. Sponsor: SFI became independent and internally administered July 1; previously it had been advised by a subsidiary of U.S. Leasing Corp. and was named U.S. Leasing Real Estate Investors.

Results & outlook: SFI lost \$0.03/sh. in the 6 months to June 30, vs. a \$0.02/sh. income the prior year. Losses on foreclosed properties accounted for \$0.11/sh. of red ink, indicating nominal profits otherwise. Nothing dramatic appears on the scene for the second half, with proceeds from condo sales being used to cut bank debt a bit more. A recent tender for shares at \$7 was given a cold shoulder by most investors. With book value of \$19.95/sh. and prospects for earnings and dividends sometime in 1977-78, the shares may be bought by patient speculators. (KDC)

MORTGAGE TRUST OF AMERICA (3-5/8--NYSE-MT) FY Nov. 30

Portfolio: Holdings fell 10% to \$141.4 million in the 12 months to May 31, reflecting paybacks of some loans and divestment of a few problem investments. Unfunded commitments are now down to \$10 million. Holdings at May 31 are 72½% mortgages and 27½% property acquired in foreclosure. Investments have a Western flavor reflecting the San Francisco headquarters site: 17% California, 11% Nevada, 7% Florida, 6% Hawaii. MTA stressed residential property and 25% is condos (18% recreational, 7% primary home), 20% apartments, 20% land and development, 15% hotel/motel, 9% single family, 6% shopping center, and 5% other types.

Nonearning investments: Problem investments fell slightly to 58% during the May quarter, first quarterly decline in nearly two years. The percentage decline is impressive because of the continued portfolio runoff. Major problems include \$7.6 million in 169 condo units in Maui, Hawaii; \$4.9 million in 100 units at Sun Valley, Idaho; \$4.8 million in 246 units in the Margate, N.J. shore resort area. Toughest apartment problem is an 18% participation for \$2.7 million in a stalled New York City building. In the hotel/motel sector, Hilton Hotels in Jacksonville and St. Petersburg are the big dollar exposure. The \$19.3 million loss reserve is 13.6% of investments.

Financing: Total capital of \$135 million is 37% shareholder equity (book value is now \$12.93/sh.), 46% bank short-term loans, 10% long-term bank loans, and 6% mortgages on acquired property. MTA repaid \$6 million of its original \$20 million term loan through May 31 and has another \$4 million repayment due Dec. 1; it has given short-term bank lenders pro-rata paydown on their \$62.8 million debt but may attempt to stretch the maturity schedule of the term debt. MTA pays full rate interest on its debt and has no contingencies. Sponsor: Transamerica Mortgage Advisors, Inc., subsidiary of financial services conglomerate Transamerica, Inc.

Results & outlook: MTA lost \$0.52/sh. in the May quarter and \$0.94/sh. in the six months, after loss provisions of \$0.39 and \$0.65/sh. respectively. Foreclosed properties have been operating at about breakeven to date. Portfolio recovery figures to continue slow and there's risk that banks may force some liquidation of good assets to repay debt. We doubt any dividend resumption for two-three years but the shares at 73% discount from book value have longer-term speculative potential. (KDC)